

CCPA and Orders/Notices from Other States

Wisconsin employers must comply with an income withholding order/notice issued by another state in accordance with the Uniform Interstate Family Support Act (UIFSA).

If you have an employee with income withholding orders/notices from two different states, but the CCPA limits prevent you from withholding the total amount due, you will need to prorate the amounts sent to the two states. See CCPA examples 4 and 5.

CCPA Example 4

Calculating withholding amounts for two states within CCPA limits when both notices/orders are for fixed dollar amounts.

Scenario:

- Wisconsin Notice/Order is for \$200 per month
- Minnesota Notice/Order is for \$350 per month
- Employee's Gross Income is \$900/month
- Total amount due per Notices: \$550 (\$200 + \$350)
- Disposable Income is \$750/month
- Employee's CCPA limit is 55% of disposable income: $55\% \times \$750 = \412.50
- Calculation:
 - WI Notice is 36% of total (\$200) \$550)
 - MN Notice is 64% of total (\$350) \$550)
- Prorated amount for WI Notice 36% of \$412.50 = \$148.50
- Prorated amount for MN Notice 64% of \$412.50 = \$264

CCPA Example 5

Calculating withholding amounts for two states within CCPA limits when one order is percentage expressed and one order is a fixed dollar amount.

Scenario:

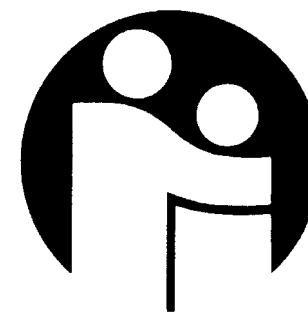
- Wisconsin Income Withholding Order/Notice: 31% of gross income
- Illinois Income Withholding Order/Notice is \$150 per biweekly pay period
- Gross Income for the biweekly pay period is \$500
- Total amount due per Notices: $(31\% \times \$500 = \$155) \$155 + \$150 = \$305$
- Disposable Income is \$450 per biweekly pay period
- Employee's CCPA limit is 65% of disposable income: $65\% \times \$450 = \292.50
- Calculation:
 - WI Notice is 51% of total (\$155) \$305)
 - IL Notice is 49% of total (\$150) \$305)
- Prorated amount for WI Notice: 51% of \$292.50 = \$149.17
- Prorated amount for IL Notice: 49% of \$292.50 = \$143.33

Questions?

- For questions about calculating the amounts to withhold, contact the county/tribal child support agency (listed in the phone book under "county government" or tribal name).
- For more information about your Employer Withholding List/Coupon, please call the Wisconsin Support Collections Trust Fund (WI SCTF), weekdays 7:30 AM – 6:00 PM, at:
 - 1-877-209-5211 (toll free)
 - 414-615-2581 (Metro Milwaukee)
- For information about electronic funds transfer, please call the WI SCTF at:
 - 414-615-2422
- Information is also available at:

< www.dwd.state.wi.us/bcs/employer.htm >

Employers' Guide



How to compute

Child Support INCOME WITHHOLDING

➤ Combination Orders

➤ CCPA Limits

➤ Multiple Orders

➤ Orders from Other States

Wisconsin Bureau of Child Support
PO Box 7935
Madison, WI 53707-7935
608-266-9909

Withholding Amounts

Child support obligations may be expressed in an order/notice as a:

- Fixed dollar amount (e.g., \$50 a week)
- Percentage (e.g., 17% of gross income)
- Combination of a percentage with an additional fixed dollar amount (See example 1 below)
- Combination of a percentage with a fixed dollar amount minimum (See example 2)
- Combination of a percentage with a fixed dollar amount maximum (See example 3)

Withholding Example 1

Combination of a percentage order with an additional fixed dollar amount

Scenario:

- Income Withholding Order/Notice: “17% of gross income, plus \$10 per week”
- Gross income for the biweekly pay period is \$500
- Calculation:
$$\begin{array}{rcl} \$500 \times 17\% & = & \$85 \\ \$10 \times 2 \text{ weeks} & = & + \$20 \\ \text{Income withholding is} & & \$105 \end{array}$$

Withholding Example 2

Combination of a percentage order with a fixed dollar amount minimum

Scenario:

- Income Withholding Order/Notice: “17% of gross income, but not less than \$50 per week”
- Gross income for the biweekly pay period is \$500
- Calculation:
$$\begin{array}{l} \text{Percentage of gross income amount is} \\ \$500 \times 17\% = \$85 \\ \text{Fixed sum amount is } \$50 \text{ per week} \times 2 \text{ weeks} = \\ \$100 \end{array}$$
- Compare the two amounts (\$85 vs. \$100)
- Withhold the greater amount (\$100)

Withholding Example 3

Combination of a percentage order with a fixed dollar amount maximum

Scenario:

- Income Withholding Order/Notice: “17% of gross income, but not more than \$50 per week”
- Gross income for the biweekly pay period is \$500
- Calculation:
$$\begin{array}{l} \text{Percentage of gross income amount is } \$500 \times \\ 17\% = \$85 \\ \text{Fixed sum amount is } \$50 \text{ per week} \times 2 \text{ weeks} = \\ \$100 \end{array}$$
- Compare the two amounts (\$85 vs. \$100)
- Withhold the lesser amount (\$85)

CCPA Withholding Limits

The income withholding notice/order for an employee states the CCPA withholding limit for that employee.

You are legally obligated to withhold the amount ordered by the court. The income withholding order/notice you receive will instruct you to limit the amount of withholding to the limits in the federal Consumer Credit Protection Act (CCPA). Your employee will still be responsible for any difference between the CCPA limitations and the court orders and may voluntarily agree to have the full amount withheld. CCPA limitations are a percentage of an employee’s disposable income.

Disposable income is the employee’s earnings remaining after federal, state and local withholding taxes and Social Security taxes are deducted. Deductions for Individual Retirement Accounts (IRAs), medical expense accounts, etc. do not reduce disposable income.

CCPA examples 1 - 3 show how to calculate the amount to withhold based on the CCPA for an employee with multiple withholding orders/notices.

CCPA Example 1

Calculating withholding amounts for two fixed-amount orders within CCPA limits

Scenario:

- Income Withholding Order/Notice 1: \$100 per biweekly pay period
- Income Withholding Order/Notice 2: \$50 per biweekly pay period
- Gross income for the biweekly pay period is \$250
- Total amount due per Notices: \$100 + \$50 = \$150 per biweekly paycheck
- Disposable income is \$210
- Employee’s CCPA limit is 50% of disposable income: $50\% \times \$210 = \105
- Total withheld: \$105

CCPA Example 2

Calculating withholding amounts for two percentage-expressed orders within CCPA limits

Scenario:

- Income Withholding Order/Notice 1: “34% of gross income”
- Income Withholding Order/Notice 2: “25% of gross income”
- Gross income for biweekly pay period is \$550
- Total amount due per Notices: $59\% (34\% + 25\%) \times \$550 = \$324.50$
- Disposable income is \$500
- Employee’s CCPA limit is 55% of disposable income: $55\% \times \$500 = \275
- Total withheld: \$275

CCPA Example 3

Calculating withholdings for a percentage-expressed order and a fixed-amount order within CCPA limits

Scenario:

- Income Withholding Order/Notice 1: 31% per biweekly pay period
- Income Withholding Order/Notice 2: \$150 per biweekly pay period
- Gross income per biweekly pay period is \$500
- Total amount due per Notices: $(31\% \times \$500 = \$155) \$155 + \$150 = \$305$ per biweekly paycheck
- Disposable income is \$450
- Employee’s CCPA limit is 60% of disposable income: $60\% \times \$450 = \270
- Total withheld: \$270